GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:915
ANSWERED ON:13.07.2004
EXPORT OF STEEL AND IRON
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Will the Minister of STEEL be pleased to state:

(a)the quantum of iron and steel exported from the country during each of the last three years along with names of the countries;

(b)whether export of iron and steel has increased due to growth in steel industry during the current year;

(c)if so, the details thereof;

(d)the amount of foreign exchange earned on this account during the said period;

(e)whether the Government has announced restructuring package for SAIL;

(f)If so, the details thereof and the amount released by the Government therefor so far; and

(g)the new strategies made to further improve the performance of the iron and steel companies?

Answer

MINISTER OF CHEMICALS AND FERTILIZERS AND MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a)The country-wise details of steel exports during the last 3 years is given in the Annexure.

(b) No, Sir.

(c) Does not arise in view of (b) above.

(d) The country-wise value of exports of iron and steel for the last three years is given in the Annexure.

(e) Government of India approved the Financial and Business restructuring proposal of SAIL in February 2000 and a MoU was signed in March 2000, by Steel Authority of India Ltd. (SAIL) with Government of India for a time- bound implementation of the plan.

(f) The details of the Financial and Business Restructuring plan and amount released are as under-

Financial Restructuring

The measures in Financial restructuring comprised of:

- Waiver of loans advanced to SAIL from Steel Development Fund (SDF) to the tune of about Rs. 5073 crore.

- Waiver of loan advanced to SAIL from Government of India to the tune of about Rs. 381 crore

- Government guarantee to raise loan of Rs. 1500 crore to finance Voluntary Retirement Scheme (VRS).

- Government guarantee to raise loan of Rs. 1500 crore to fulfill repayment obligation.

As a part of financial restructuring, waiver of loans advanced from Steel Development Fund (SDF) and from Government of India totaling Rs. 5454 crore, were adjusted as −

(a) Rs. 3001 crore towards write down of fixed asset value relating to capitalisation of interest on modernisation schemes which were primarily funded out of borrowings;

(b)Rs. 2453 crore write off of loans/advances relating to IISCO operations. Necessary asset adjustments based on waiver of loans have been completed in financial year 2000. There was no cash infusion by the Government of India, as part of the Financial Restructuring of SAIL.

Against the Government guarantee to raise loan of Rs. 1500 crore to fulfil repayment obligation, Rs.1000 crore have so far been

raised with Government of India guarantee for funding the Voluntary Retirement Scheme in 2001-2002, 2002-2003 and 2003-2004.

Business Restructuring

The Business Restructuring plan, inter-alia, consisted of the following:

- Restructuring of non-core assets
- Rightsizing of manpower
- Cost reduction by operational improvement
- Marketing initiatives
- Prioritisation of capital expenditure
- Purchase cost reduction
- Disposal of idle assets

SAIL has implemented most of the above measures.

(g)In a liberalised environment the Government acts as a facilitator and operational decisions are taken at the plant level. However, domestic steel producers have taken steps to control rise in production costs, which include continuous modernization/upgradation schemes, technological enhancements, efficient raw material utilization, better marketing practices and review of manpower situation.